

## ECONOMIC DEVELOPMENT INDICATORS

### Introduction

#### I. Purpose of Economic Development Indicators

The key outcomes of the Countywide Planning Policies' (CPPs) economic development policies are to:

- Promote Family-Wage Jobs
- Increase Income and Reduce Poverty
- Increase Business Formation, Expansion and Retention
- Create Jobs that Add to King County's Economic Base
- Increase Educational Skills

The purpose of the Economic Development Indicators is to identify trends in King County that support or undermine these outcomes. Over time, the trends established in the Indicators will help the Growth Management Planning Council (GMPC) evaluate the success of the Countywide Planning Policies in achieving their desired outcomes.

The eight Economic Development Indicators cover wages and income, poverty rates, the growth of jobs and new businesses, employment in export industries, high school graduation rates and educational attainment.

#### II. Definitions of Terms

- **Current** or nominal dollars are unadjusted for inflation. **Real dollars** are dollars adjusted for inflation. The inflation index used is the Consumer Price Index (CPI-Urban) for King County with 1982-1984 = 100.
- **Employment** refers to covered wage and salary employment (jobs covered by state unemployment insurance). Covered employment represents over 90% of all employment. The **average wage** is the total of all covered wages paid in a given year, divided by the number of covered workers.
- **Export or basic sectors** are those which contribute to the economic base by exporting to the rest of the nation and the world. The figures reported reflect all employment in basic sectors, not just employment that is directly related to exports. A sector is considered basic if the amount it produces locally is relatively high compared with the amount produced by the nation as a whole. Services, as well as goods, may be "exported" and hence, a service sector can be basic.
- A **family wage** is a wage that is capable of supporting a family.
- **Household Income** includes income of the head of household and all other persons 15 and older, whether related to the householder or not. It includes income from all sources, including but not limited to wages and salaries, interest and dividends, rental income, social security payments and public assistance, retirement pensions, disability benefits, unemployment compensation, alimony and child support.
- **Median household income** is the income of the "middle" household, when all households are arranged in order by income. Half the households in the county have a higher income, and half a lower income than the median household.
- The median household income used in this report is based on a schedule published by the U.S. Department of Housing and Urban Development (HUD). HUD publishes a median household income (100% of median income) for a family of four. It also publishes 50% of median income for households ranging from one to eight persons. Because the average household size in King County is about 2.4 persons, the Benchmark Report interpolates between the median income for a household of two persons and a household of three persons to arrive at the median household income for a typical King County household. The calculation doubles the 50% of median income amount to arrive at 100% of median income.
- **Per capita personal income** is the total county personal income (including wages, benefits, interest, transfer payments, single proprietor incomes and tips) divided by the county population.
- **Poverty** is defined based on income. Population below the poverty level refers to persons in households whose incomes are below dollar thresholds updated each year by the federal Office of Management and Budget. The dollar thresholds are based on the Agriculture Department's lowest of three basic food plans, and vary depending on age and family size. In 1980, the threshold was \$7,412 for a family of four. That figure rose to \$12,674 in the 1990 census year, and to \$16,400 in 1997. Poverty data from the 2000 Census will not be available until the summer of 2002.

**ECONOMIC DEVELOPMENT INDICATORS***Outcome: Promote Family-Wage Jobs***INDICATOR 1:** Real wages per worker.

Fig. 1.1

Average Wages Per Covered Worker in King County					
	1980	1985	1990	1995	2000
Average Wages in Real Dollars	\$20,690	\$20,050	\$20,590	\$21,570	\$26,290
Average Wages in Current Dollars	\$17,110	\$21,170	\$26,110	\$32,210	\$47,709
Average Wages in Current Dollars without Software Sector					\$40,200

**About This Indicator**

- The average wage in King County was just over \$47,700 during 2000. However, when the earnings of the software sector are excluded, the average earnings of all other workers in the County falls to about \$40,200.
- Real wages per worker (after inflation) declined very slightly to \$26,290 in 2000, from \$26,400 in 1999.
- In 1999, real wages in King County were well above their highest level during the past twenty years. Wages in real dollars rose an average of 2.5% per year during the 1990s compared to a stagnation of real wages during the 1980s.
- This overall average masks large differences in wage levels among sectors of the economy. For instance, high wages in manufacturing, finance, and computer service, contrast with low wages in retail, non-professional services, education, and agriculture.
- Workers in local public education earned an average of \$30,600 or about 64% of the average wage for all workers in King County. Teachers, as opposed to other types of school workers (e.g., librarians, administrators, secretaries, coaches), averaged about \$40,000, or 85% of the average County wage.
- Workers in the computer software and services sector, representing about 5% of the workforce in King County, earned an average of \$187,400. Much of this wage is attributable to exercised stock options. However, as a result of the falling value of technology stocks, this average wage was down from \$218,100 in 1999.

- The relatively small number of workers in the chemical industry earned an average of \$197,200 in the past year, while securities brokers averaged about \$107,000. Workers in the retail industry, about 17% of the workforce, earned only \$25,800 on the average.
- There are still many workers whose jobs do not pay a "family wage". A needs-based budget for King County in 2000, indicated that a family of three, with one working adult, one toddler, and one school-aged child, would have needed to make at least \$40,000 per year, or about \$20 per hour. This "family wage" was equivalent to the average wage for the County when the computer software and services sector was excluded. However, it was three times the minimum hourly wage, and one and a half times the average wage for retail workers.

**What We Are Doing**

- Providing workforce training, placement, and retention for individuals with multiple disadvantages.
- Aiding low-income workers in transitioning from welfare to the workplace.
- Seeking ways to attract and retain businesses which pay a "family" or "living" wage, particularly in economically depressed areas of the County, and through efforts to clean and reclaim contaminated industrial land.

**Data Source:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD). *The Northwest Job Gap Study* defines a "living wage" as one which "allows families to meet their basic needs without resorting to public assistance, and provides them some ability to deal with emergencies and to plan ahead. It is not a poverty wage." This study was conducted by the University of Washington's Northwest Policy Center, and was published in January, 1999.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, and ED-12. This measure monitors how workers are faring, and complements the household income measure (Indicator #2).

## ECONOMIC DEVELOPMENT INDICATORS

*Outcome: Increase Income and Reduce Poverty*

**INDICATOR 2:** Per capita personal and median household income: King County compared to the United States.



Fig. 2:1

Per Capita Personal Income as a Percent of U.S. Per Capita Personal Income				
Year	1980	1990	1995	1999
Percent of US Per Capita Personal Income	130%	132%	138%	157%
King Co. Per Capita Personal Income in Real Dollars	\$15,638	\$19,390	\$21,571	\$25,642
King Co. Per Capita Personal Income in Current Dollars	\$12,933	\$24,587	\$32,205	\$44,719

Fig. 2:3

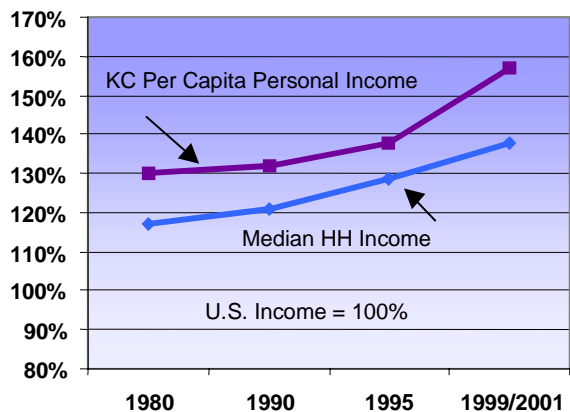
Median Household Income as a Percent of the U.S. Median						
Year	1970	1980	1990	1995	2000	2001
Percent of US median household income	117%	117%	121%	129%	131%	138%
Median Household Income in Real Dollars	\$26,237	\$25,142	\$27,681	\$29,337	\$30,799	\$33,351
Median Household Income in Current Dollars	\$10,200	\$20,700	\$36,200	\$43,800	\$55,900	\$61,400

**Notes on Per Capita Personal Income:**

1. This measure of personal income includes non-wage income such as dividends and other income from securities. It may reflect considerable local ownership and income from shares in high-performing Northwest companies. Employees of these companies often receive stock and stock options as part of their compensation.
2. 1999 Percent of US Per Capita Personal Income is an estimate, based on an interpolation between the 1998 and the 2000 U.S. per capita income estimates. BEA has not yet published a 1999 U.S. Per Capita Income, because it is waiting for the April 2000 Census data to be published. It has published an estimate for 2000.

Fig. 2:2

**Income of King County Residents as a Percent of Income of all U.S. Residents**

**Notes on Median Household Income:**

1. Median household income for 1970, 1980 and 1990 is from the decennial census for King County. The figures for 1995, 2000, and 2001 (as shown in Fig. 2.2) are derived from median income levels by household size as defined by the Department of Housing and Urban Development. The amount is an average of the median income level for a two-person household and a three-person household, since the average household size in King County is 2.4 persons. The complete 2000 table of H.U.D. income levels is shown on page 48.
2. H.U.D. uses the same income levels for all three counties that make up the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area. Note that the actual median household income in King County alone is likely to be slightly higher than the three-county region.
3. The U.S. median household income for 2000 is an estimate, pending the publication of 2000 Census median income data.
4. Household income includes all sources of income and typically includes more than one worker, hence median household income is higher than per capita personal income. There is an average of 1.4 workers per household in King County.

**About This Indicator****Per Capita Personal Income**

- King County Per Capita Personal Income was \$44,700 in 1999, up from \$40,900 in 1998. In the decade since 1989, it has risen about 93% or an annual average rate of nearly 7%.

## ECONOMIC DEVELOPMENT INDICATORS

### INDICATOR 2:

*(continued from previous page)*

- In real dollars, per capita personal income has risen at an annual average rate of 2.7% compared to an annual average rate of 2.2% during the 1980s.
- With declining values in technology stocks during 2000, and considerably slower growth in all income from securities, it is likely that growth in per capita personal income has slowed or even declined in 2000/2001.

#### *Median Household Income*

- Median household income for King County is \$61,400.
- In current dollars, the H.U.D. estimate of median household income for King County shows a 65% increase from 1991 to 2001, or an annual average growth rate of 5.1%.
- In real dollars, median household income has grown about 1.8% per year. During the 1980s, it grew at just under 1% per year.
- It appears that median HH income continued to grow strongly despite a slowing economy in 2000 – 2001. A combination of more workers per household and slightly higher average wages may account for this.

### For Comparison

- King County personal income was 157% of the nationwide average in 1999. For the period from 1980 to 1999, the gap between King County personal income and nationwide income has widened by 27 percentage points.
- From 1997 – 1998 total personal income in the Seattle-Bellevue-Everett metropolitan area grew by 10.4%. This was the second fastest growth in personal income among all metropolitan areas in the U.S. that year, after Austin-San Marcos, Texas.
- Median household income in the region exceeded the nationwide average by 38% in 2001.
- Median household income has also grown much faster than the U.S. average, gaining about 21 percentage points over the national average from 1980 - 2001

### What We Are Doing

- Both per capita personal income and median household income are dependent on factors in the national economy that are to a great extent not susceptible to influence by local action. However, efforts to attract and retain businesses, improve local wages, and maintain a favorable economic climate, do influence the income of residents. Some efforts in this direction include:
- Providing financing incentives to projects that generate union-scale construction jobs, and that also reserve a fixed percentage of permanent employment for low- and moderate-income workers.
- Requiring the use of apprentices during construction at County-funded projects, in order to encourage youth to enter trades that will pay a family wage.
- As a Brownfields Showcase Community, helping to preserve and reclaim contaminated industrial land, and thus to retain and expand the number of family-wage jobs in the County.
- Seeking to attract higher-paying technology and manufacturing jobs, especially to less affluent areas of the County.
- Working to insure sufficient physical and technological infrastructure in the urban areas to allow new industries to flourish.

**Data Sources:** Fig.2.1: *Local Area Personal Income and Washington Total Personal Income and Per Capita Personal Income* (by county), Bureau of Economic Analysis, U. S. Department of Commerce. Per capita personal income table are available on the web at

[www.bea.doc.gov/bea/regional/bearfacts](http://www.bea.doc.gov/bea/regional/bearfacts) .

Fig. 2.2: *Decennial Census of Population: Social and Economic Characteristics, Washington* for median household incomes in 1970, 1980 and 1990. Department of Housing and Urban Development (H.U.D.) Median Family Income and Income Eligibility Limits by Household Size, 1991 – 2001, available on the web at <http://huduser.org> .

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-36, ED-1, and ED-6. As King County makes progress towards its goal of strengthening the economy, the earnings of King County residents should improve relative to the U. S. as a whole.

## ECONOMIC DEVELOPMENT INDICATORS

*Outcome: Increase Income and Reduce Poverty***INDICATOR 3:** Percentage of population below the poverty level.

Fig. 3.1

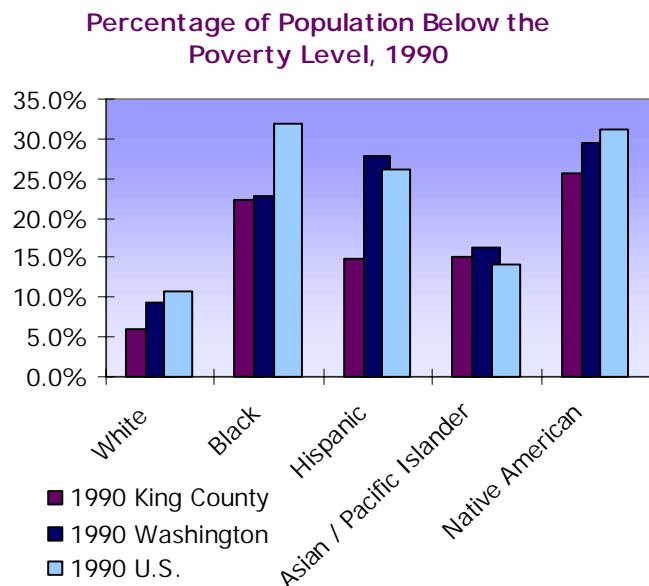


Fig. 3.2

Percent and Total Number of Persons Below the Poverty Level, by Race/Ethnic Group						
Race/ Ethnic Group:	1980 King County	1990 King County		1990 Washington		1990 U.S.
	Percent	Number	Percent	Number	Percent	Percent
<b>Total</b>	7.7%	117,589	8.0%	517,933	10.9%	13.5%
<b>White</b>	6.5%	76,601	6.1%	394,384	9.4%	10.7%
<b>Black</b>	21.0%	16,149	22.3%	31,312	22.8%	31.9%
<b>Hispanic</b>	13.9%	6,134	14.9%	55,503	27.8%	26.2%
<b>Asian / Pacific Islander</b>	13.2%	17,784	15.2%	33,499	16.2%	14.1%
<b>Native American</b>	20.7%	4,432	25.6%	23,633	29.5%	31.2%

**Notes:**

1. New data on percent of the population in poverty will not be available until the release of 2000 Census income data in mid-2002. At that point, trends in poverty levels over the two decades should be evident.

**About This Indicator**

- There was a 23% increase in the number of King County residents with incomes below the poverty threshold between 1980 and 1990. But the overall poverty rate in King County in 1990, at 8.0%, was still considerably lower than the 13.5% national rate.
- Numerically, by far the largest number of those living below the federal poverty threshold in 1990 were white. However, a much higher percentage of minority populations fell below the poverty threshold.
- In King County almost a quarter of Black and more than a quarter of Native American persons lived in poverty, while 15% of Hispanics and Asians were poor. In contrast, 6% of white persons lived below the poverty level.

**What We Are Doing**

- Targeting poverty areas in the County for intensive community and economic development activity.
- Improving the employability of low income people and long-term welfare recipients, through the Jobs Initiative and Welfare to Work programs.
- Setting goals of sufficient affordable housing in each of the jurisdictions to meet the needs of households making under 50% and under 80% of the County median income.
- Providing financing incentives to commercial and industrial development projects that reserve a fixed percentage of permanent jobs for low and moderate-income workers.

**Data Source:** Decennial *Census of Population: Social and Economic Characteristics, Washington, 1990. Statistical Abstract of the United States, 2000*, U.S. Department of Commerce. *County Income and Poverty Estimates for Washington: 1995. Poverty Thresholds, 1997*. U.S. Census Bureau.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-34, FW-36, ED-1, ED-12, and ED-13. This Indicator measures the success of King County's efforts to increase the skills and employability of those in poverty and to add them to the work force in jobs that provide wages which support families.

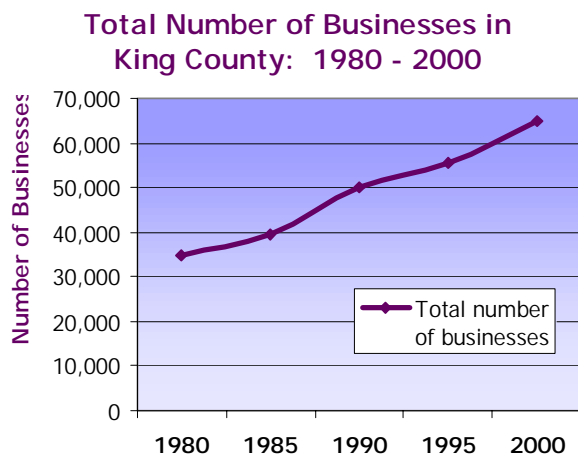


**ECONOMIC DEVELOPMENT INDICATORS*****Outcome: Increase Business Formation, Expansion and Retention*****INDICATOR 4: New businesses created.**

Fig. 4.1

<b>New Businesses Created in King County</b>					
	1980	1985	1990	1995	2000
<b>Total number of businesses</b>	34,624	39,575	50,204	55,638	65,042
<b>Number of net new businesses</b>	NA	4,951	2,951	5,434	9,404
<b>Average Annual Growth Rate for Preceding Five Years</b>	NA	2.7%	4.9%	2.1%	3.2%

Fig. 4.2

**Notes:**

1. The figures presented above are net figures which account for business closures.
2. The annual growth rate is the average percentage growth per year of net new businesses over the previous five year period.
3. Businesses shown are firms, agencies and sole proprietorships whose employees are covered by the Washington State Employment Security Act and Federal government agencies or departments. All firms regardless of size are included. These firms account for approximately 90% of all employment.
4. Excluded from this analysis are:
  - Sole proprietorships or partnerships with no employees.
  - Private households as employer units. Many of these "employer units" offer employment for only a short period of time, e.g. for several weeks or months, for instance while an individual is recovering from illness, so they are not comparable to long-term employer units.

**About This Indicator**

- In the late 1980s, new businesses were formed at a rate of almost 5% per year. From 1990 – 1995, the rate of business formation was about 2.1% per year, while during the last five years of the 1990s, business growth strengthened again, showing an average annual growth rate of about 3.2%. Over the long term, business growth appears fairly steady.
- This measure captures business vitality, optimism, entrepreneurial activity, business climate and innovation. As the business climate improves, economic vitality also improves and the numbers in this Indicator increase.

**What We Are Doing**

- Providing loans to qualified small businesses that do not have access to traditional financing.
- Working with economic development organizations, such as the Economic Development Council of King County in implementing business retention and expansion programs.
- Providing support, training, and advocacy for disadvantaged businesses.
- Coordinating efforts that foster a positive climate for economic growth, such as improved public transportation, technological infrastructure, opportunities for workforce education and training, good schools, and sufficient workforce housing.

**Data Source:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD).

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, ED-8 and ED-9. Small business growth has been characterized as the basis of a healthy economy.

## ECONOMIC DEVELOPMENT INDICATORS

*Outcome: Increase Business Formation, Expansion and Retention*

## INDICATOR 5: New jobs created, by employment sector.

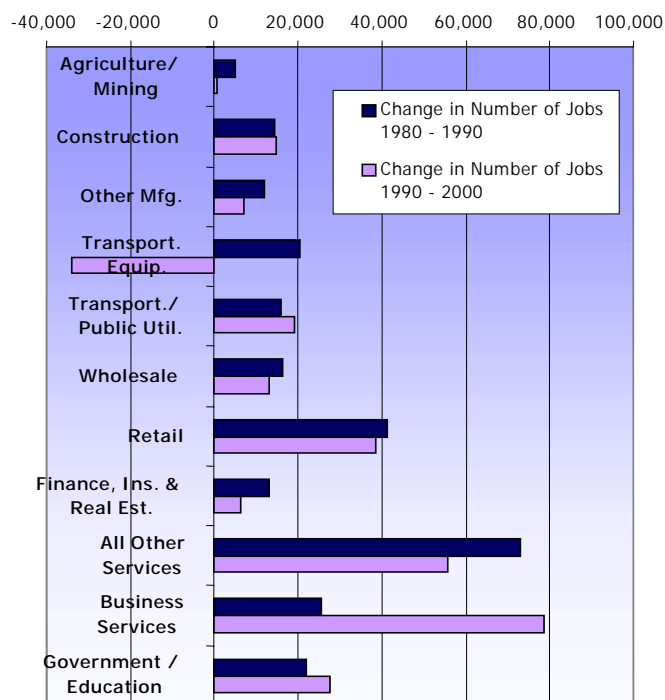


Fig. 5.1

Change in Number of Jobs, Overall and By Sector					
Sector	1980 - 1990		1990 - 2000		
	Change in Number of Jobs	Percent Change	Change in Number of Jobs	Percent Change	Annual Rate of Growth '90 - '00
Agriculture/ Forestry/ Fishing/ Mining	5,102	115%	765	8%	1%
Construction	14,451	43%	14,558	30%	3%
All Manufacturing	32,150	23%	-27,184	-16%	-2%
Transportation Equipment	20,270	27%	-34,148	-36%	-4%
Other Mfg.	11,856	18%	6,964	9%	1%
Transportation/ Public Util.	16,078	36%	19,321	32%	3%
Wholesale Trade	16,335	32%	13,096	19%	2%
Retail Trade	41,252	36%	38,572	25%	2%
Finance, Ins. & Real Est.	13,142	25%	6,422	10%	1%
All Services	98,523	76%	134,254	59%	5%
Business Services (including Software)	25,457	86%	78,667	143%	9%
All Other Services	73,066	73%	55,587	32%	3%
Government / Education	22,080	23%	27,698	24%	2%
Overall Net Change in Jobs	259,089	39%	227,502	25%	2%

## Change in Number of Jobs by Sector

## Job Increase or Decrease

**Notes:**

1. Employment figures are for covered workers. Covered workers are all those covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act. They comprise about 90% of total employment.
2. In this classification scheme, business services is a subset of All Services, and a sub-sector of business services is the computer software and services industry. Currently, there are approximately 59,000 jobs in the computer software subsector. About 5% of all County employment.

**About This Indicator**

- In 2000, there were approximately 1.15 million jobs in King County.
- From 1990 to 2000, 227,500 new jobs were added, almost the same number as the population growth. Job creation was approximately 25% for the decade, or an average of 2% per year.

## ECONOMIC DEVELOPMENT INDICATORS

### INDICATOR 5:

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- Jobs in *Services* comprised by far the largest share (59%) of new employment. 134,250 jobs were added in the service sector as a whole.
- *Business Services*, which includes the subsector of *Computer Software and Services*, grew by 143%. It accounted for 78,700 new jobs, or about 35% of all new jobs in the 1990s.
- Retail Trade, Government, Construction, and Transportation/Public Utilities contributed the next largest shares of the new jobs, although they are well below the growth in the Service sector. Together these four sectors contributed just over 100,000 new jobs. The rate of growth in these sectors was between 24% and 32%, or between 2% and 3% per year.
- In 2000 Services employed 31% of all workers in King County. Nearly 12% of all County workers are in Business Services, with about 5% employed in the subsector of computer software and services.
- For the first time, this year the *Computer Software and Services* sector employed almost exactly the same number of workers as the *Transportation Equipment Manufacturing* sector (which includes aero-space manufacturing). This was due to both an increase in computer-related employment, and a decline in aerospace employment.
- Jobs declined by 36% in the *Transportation Equipment* sector over the decade, amounting to a net loss of 34,150 jobs. Like the computer software industry, *Transportation Equipment* employed about 5% of all King County workers in 2000, down from 6.8% of all County workers in 1998, and from 10% in 1990.
- Overall, job losses since 1990 have been more than offset by the 132,250 new jobs created in the Services sector, and 38,600 new jobs in retail from 1990 to 1999.
- It is important to note that retail jobs pay an average wage of just over \$25,000, and many jobs in the services sector are also relatively low-paying. On the other hand, the 27,000 net jobs lost in manufacturing paid relatively high average wages.
- While the computer services sub-sector has one of the highest average wages in the County, these account for no more than 30,000 to 40,000 of the new jobs, or about the same number as new retail jobs.

- The decision, early in 2001, to move Boeing's corporate headquarters out of the region, had a direct impact on only a few hundred jobs. But there may be a longer term impact on aerospace employment if manufacturing jobs are moved from King County to other parts of the region, or outside the region.
- While the future may show some recovery in the aerospace industry in this region, aerospace employment in King County is not likely to return to pre-1990 levels. Fortunately, employment in the this industry does not appear to dominate the region's business cycles in the same way that it has in the past.
- It is likely that there has been some new employment created in other high technology fields such as biotechnology. However, because these jobs are spread out among a number of sectors it is difficult to evaluate the strength of that growth.

### For Comparison

- The overall rate of job growth in the 1990s was a healthy 25%, but somewhat slower than the 39% rate of growth during the 1980s. The net number of jobs added in the 1980s was only slightly higher than the number added in the 1990s.
- Jobs grew rapidly from 1995 – 1999. In 2000 overall job growth continued at a slower rate than in either 1998 or 1999. 2001 is likely to show an even greater slowdown.

### What We Are Doing

- Initiating small area and sub-regional economic development planning and implementation activities.
- Working in public-private partnership other economic development organizations, to attract new businesses and to implement business retention and expansion programs.
- Implementing the "Jobs Initiative" and "Welfare to Work" programs to improve the employability of workers in the community.

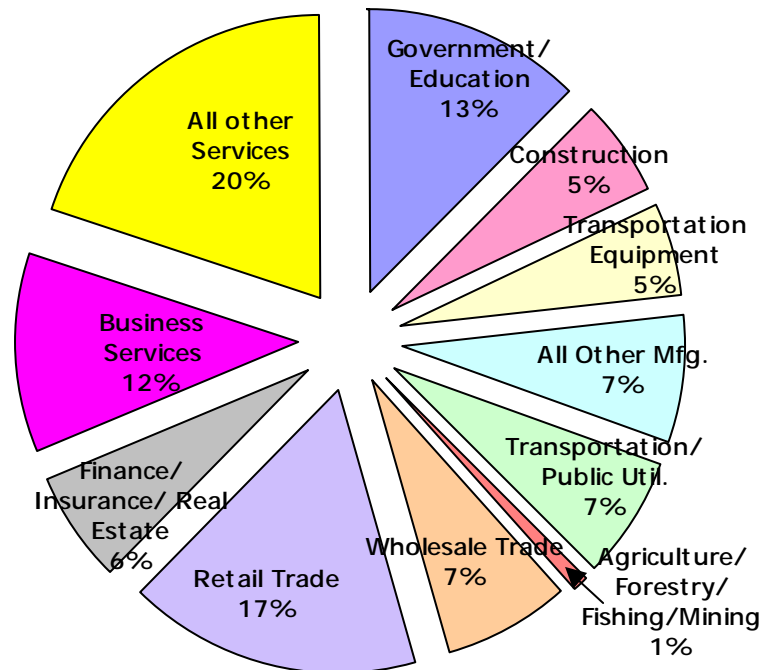
**Data Source:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD), 1980 - 2000.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, ED-8 and ED-9. This Indicator helps evaluate one of the bases of a healthy economy.

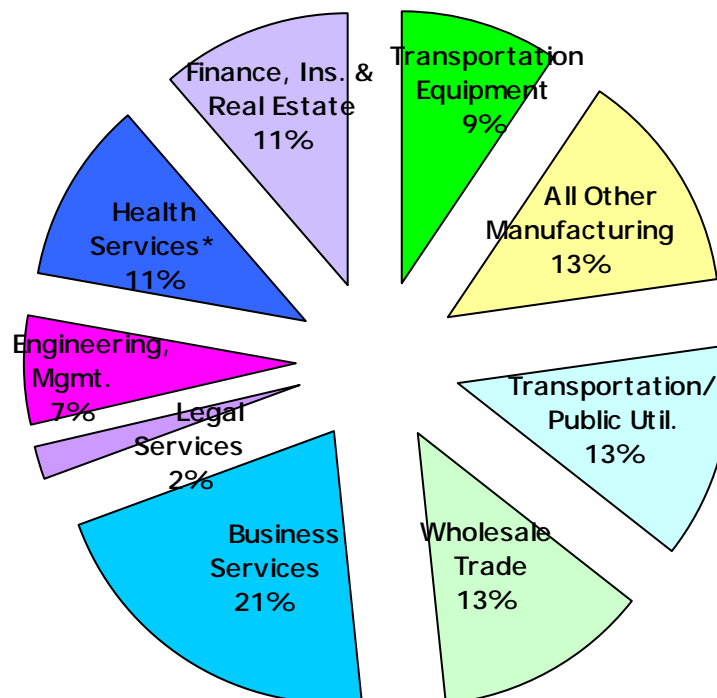


## ECONOMIC DEVELOPMENT INDICATORS

### King County Employment by Sector in 2000



### 2000 King County Employment in Sectors that Export



## ECONOMIC DEVELOPMENT INDICATORS



*Outcome: Create Jobs that Add to King County's Economic Base*

**INDICATOR 6:** Employment in industries that export from the region.



Fig. 6.1

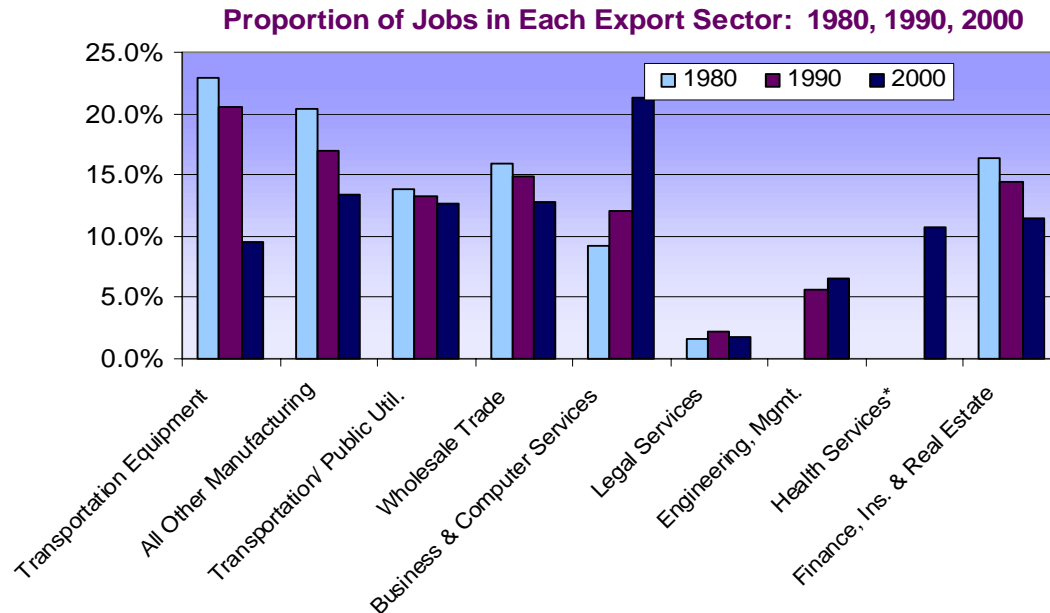


Fig. 6.2

Trends in Employment in King County Export Sectors: 1980 - 2000							
Sector	1980		1990		2000		
	Number of Jobs	Percent of Jobs in Export Sectors	Number of Jobs	Percent of Jobs in Export Sectors	Number of Jobs	Percent of Jobs in Export Sectors	Percent of All 2000 Jobs
<b>Manufacturing:</b>							
Transportation Equipment	139,324	43.2%	171,450	37.6%	144,266	22.9%	12.5%
All Other Mfg.	73,800	22.9%	94,015	20.6%	59,867	9.5%	5.2%
	65,500	20.3%	77,435	17.0%	84,399	13.4%	7.3%
<b>Transportation/ Public Util.</b>	44,416	13.8%	60,494	13.3%	79,815	12.7%	6.9%
<b>Wholesale Trade</b>	51,270	15.9%	67,605	14.8%	80,701	12.8%	7.0%
<b>Services:</b>							
Business Services	29,673	9.2%	55,130	12.1%	133,797	21.2%	11.6%
Legal Services	5,045	1.6%	10,239	2.2%	10,993	1.7%	1.0%
Engineering, Mgmt.	NA		25,768	5.6%	41,484	6.6%	3.6%
Health Services	* Health Services did not qualify as an export sector until recently				67,259	10.7%	5.8%
<b>Finance, Ins. &amp; Real Estate</b>	52,673	16.3%	65,815	14.4%	72,237	11.5%	6.3%
<b>Total Jobs in Export Sectors</b>	322,377	100.0%	456,501	100.0%	630,552	100.0%	54.8%

## ECONOMIC DEVELOPMENT INDICATORS

### INDICATOR 6:

(continued from previous page)

#### Notes:

1. *Export or basic sectors are those which contribute to the economic base by exporting to the rest of the nation and the world. This analysis defines export sectors as those sectors with Location Quotients greater than 0.3 for manufacturing sectors, greater than 0.9 for professional/financial services, and greater than 1.2 for sectors other than manufacturing and professional services. Location quotients are ratios which identify which industry sectors contribute to the economic base through exports.*
2. *The formula for Location Quotients is:*

*(Total workers in a particular sector in King County / Total employment in King County) /*  
*(Total workers in a particular sector in the U.S. / Total employment in the U.S.)*

*The higher a King County sector's Location Quotient is, the more it exports to the rest of the nation and the world.*

3. *In this classification scheme, Business Services includes the Computer Software and Services industry.*
4. *The figures shown reflect all employment in sectors that export; however, not all employment in these sectors is directly related to exports.*

### About This Indicator

- Employment in the *Transportation Equipment Industry* (mainly aerospace) now accounts for less than 10% of jobs in King County's export industries. In 1980 it accounted for 23% of those jobs.
- Cuts in employment were particularly sharp in 1999-2000. Therefore, the contribution of other industries and of the service sector to basic employment is becoming critical for the economic health of the region.
- *Manufacturing*, as a whole, has declined from 43% of export jobs in 1980 to under 23% in 2000.
- The greatest growth in the export industries has been in business/computer and professional services. *Business Services* now comprises 21% of export industry jobs, compared to 9% in 1980.
- A total of 30% of jobs in the export sector are in *Legal Services, Engineering/Management, Health Care, and Financial/ Real Estate Services*. Combined with *Business and Computer Services*, 52% of employment in King County's export industries involve the

export of services rather than of raw materials or manufactured goods.

- The Services sector as a whole is not considered an export sector, however the four itemized sub-categories of the Services sector, are considered basic because they serve many clients from outside the County. Since King County increasingly fills the role of a regional medical center, health care now qualifies as an export sector.
- Significant amounts of export activity are not represented in the table; the table shows the key export sectors, but sectors other than those shown also export (e.g. educational services and retail) and thereby bring dollars into our economy.
- Although agriculture, fishing, and timber are relatively minor employers in this County, they are significant export industries in the larger Puget Sound region and throughout Washington State. Because of their regional importance, they impact the overall economy of King County.

### What We Are Doing

- As a Brownfields Showcase Community providing technical support and assistance for the clean-up of contaminated industrial sites so that they can be reclaimed for manufacturing/industrial uses.
- Providing assistance in the social and economic development of depressed communities in order to attract long-term business investment, particularly in basic sector industries.
- Sponsoring subregional efforts to attract more high technology and other basic sector industries.

**Data Sources:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD). The annual *Statistical Abstract of the United States* provides data on total national employment and national employment levels by industry sector.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-3, and ED-6a and ED-9. The export base of the economy brings income into the region by selling to customers outside of the region and is the driving force of the economy.

**ECONOMIC DEVELOPMENT INDICATORS***Outcome: Increase Educational Skill Levels***INDICATOR 7:** Educational background of adult population.

Fig. 7.1

Education Background of Adults in Washington State : 1990, 1999		
Percent of population over 25 with:	1990	1999
High School Diploma or Higher	83.8%	91.2%
Bachelor's Degree or Higher	22.9%	28.6%

Fig. 7.2

Educational Background of Adult Population in King County			
Percent of population over 25 with:	1970	1980	1990
High School Diploma or Higher	69%	83%	88%
Some college (includes A.A. degree)	16%	23%	32%
Bachelor's Degree or Higher	17%	26%	33%

**Notes:**

1. 2000 Census data on the educational background of King County residents will not be available until 2002. Data on Washington State residents for 1999 is shown in Fig. 7.1.
2. High school diploma figures include GED (General Educational Development) certificate holders. "A.A." refers to Associate of Arts degree. "Some college, includes A.A. degree" includes all who completed one to three years of college.

**For Comparison**

- In 1999, 91.2% of Washington State's adult population had a high school diploma or higher. Washington ranked second among all the states in the percent of its population who had graduated from high school.
- Nearly 29% of Washington State adults had a bachelor's degree or higher. Washington ranked ninth among all the states. Nationally, just about 25% of adults had bachelor's degrees.

**About This Indicator**

- Data specific to King County is only available for 1990 and earlier. 1990 Census data showed that King County was a highly educated community in which 88% of the adult population were high school graduates. In 1990 the percent of high school graduates was around 75% nationally while in 1999, the national figure was about 84%.
- Generally, the percent of the population with high school and college degrees increases as members of the older generations, with less access to educational opportunities, die.
- In 1990, 33% of King County adults had a college degree, compared to 21% for the U.S. as a whole. (The U.S. percent was up to 25% in 1999). An additional 32% of King County residents had attended some college, but did not obtain a four year degree. 23% of King County adults had a high school diploma with no further education, and 12% did not have a high school diploma or equivalency degree.
- The improvement from 1990 to 1999 in the percent of both high school and college graduates throughout Washington State, probably reflects some improvement in King County. This should be evident when the 2000 Census data is available.

**Educational Attainment and Earnings: National Data**

*The following observations and Fig. 7.3 and 7.4 are based on data for the nation as a whole, not specifically for King County. They are relevant as indicators for the connection between educational level and future earnings.*

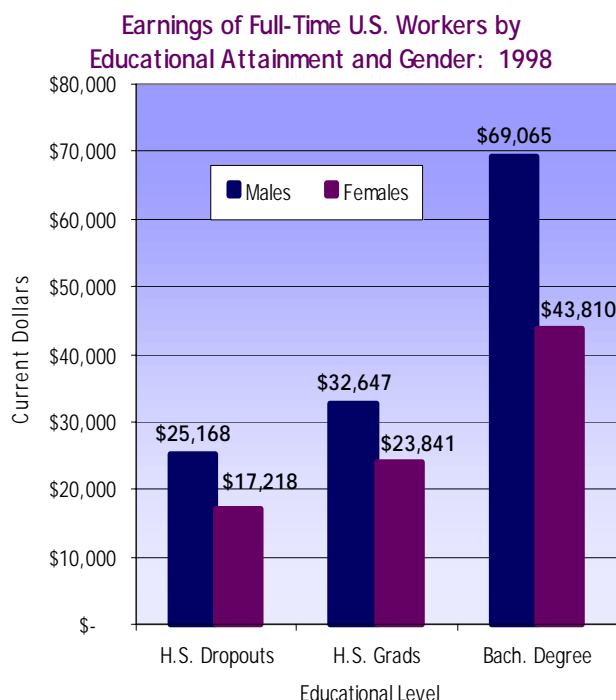
- Educational level is a predictor of future income. In 1998, adults in the U.S. with only a high school education earned roughly half of what those with a college degree earned.
- Those who dropped out of high school earned about 38% of the earnings of those with a college degree.

## ECONOMIC DEVELOPMENT INDICATORS

### INDICATOR 7:

(continued from previous page)

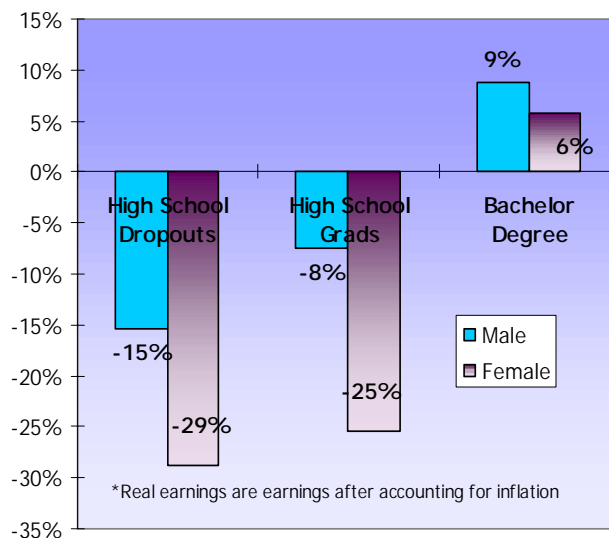
Fig. 7.3



- For both men and women, real incomes are increasing for those with Bachelor's degrees or more, and falling for those less educated. The gap is increasing.
- Both education and gender are factors in earnings. As women reach higher educational levels, their average earnings compared to men at the same educational level actually decline. In 1998, female high school dropouts working full-time, year-round, earned 68% of what male high school dropouts earned. Women with Bachelor's degrees earned only 63% of what men with Bachelor's degrees earned.
- Fig. 7.4 shows the dramatic differential in earnings when real (after inflation) earnings are compared. The average earnings of men with Bachelor's degrees grew 9% in real terms from 1991 to 1998, while women with a Bachelor's degree or greater had a 6% gain.
- During the same period, the average real earnings of men with only a high school education fell 8% and those with no high school diploma fell 15%. Real earnings for women with a high school degree declined 25%, and for those with no high school degree, real earnings fell 29%.

Fig. 7.4

**1991 - 1998: Percent Change in Real Earnings\* for Men and Women in U.S. by Educational Attainment**



### What We Are Doing

- Requiring the use of apprentices in County-funded construction projects, in order to encourage youth to be trained in trades which will pay a family-wage.
- Providing services to families with children and youth at risk of leaving the educational system.
- Managing the Renton Worksource Center to assist clients in finding training and/or employment, and to support employers through employee training and retraining, and through assistance in hiring employees.
- Providing GED and work skills training through Opportunity Skyway and Youth Build.
- Provide training and reemployment services to dislocated workers in King County.
- Encouraging families to read to their children and take part in other life-long learning activities, especially through the King County Library System.

**Data Source:** Decennial Census of Population: Social and Economic Characteristics, Washington. For observations about earnings, 1995 Statistical Abstract of the United States and 1998 Statistical Abstract of the United States.

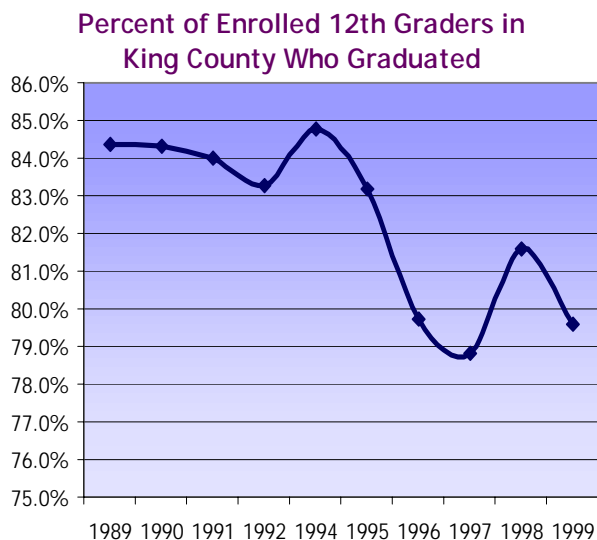
**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-31, ED-1 and ED-13. King County must have a work force that is very well educated. Education and training are critical to develop and maintain a highly skilled and well-paid workforce.



## ECONOMIC DEVELOPMENT INDICATORS

*Outcome: Increase Educational Skill Levels***INDICATOR 8:** High school graduation rate.

Fig.8.1



1. Graduation rates are for students in public school districts in King County. The graduation rate is the percent of students who graduate out of the number of students enrolled in 12th grade in October of the school year.
2. This Indicator was originally titled 'Percentage of 9th graders who go on to obtain a high school diploma'. The Washington State Office of the Superintendent of Public Instruction (OSPI) requires school districts to track each student's progress from the 9th through the 12th grades. The new measure is intended to account for students who move or transfer between districts, or leave and return to school. Reliable data from this tracking system is not yet available.

Graduating Year	Percent Graduating
1989	84.4%
1990	84.3%
1991	84.0%
1992	83.3%
1993	NA
1994	84.8%
1995	83.2%
1996	79.7%
1997	78.8%
1998	81.6%
1999	79.6%

**About This Indicator**

- For 1999 the graduation rate in King County school districts was 79.6%, down two percentage points from the 1998 rate. The biggest drop was six percentage points from 1994 to 1997.
- The graduation rate in 1999 showed a 5 percentage point drop from the rate ten years earlier, in 1989.
- 1999 graduation rates in King County school districts ranged from 59.4% to 98.4%.
- 6.5% of all King County high school students were recorded as dropouts, or "status unknown" (leaving school with no record of enrollment elsewhere) during 1998/99. This represents a total of 4,883 students. In 1997/98 7.5% were recorded as dropouts or "status unknown".
- In the U.S., the graduation rate is 72%. King County's rate remains considerably higher than the national average. However, an international study released in 1998 by the Organization for Economic Cooperation and Development ranked the U. S. 27th among 29 industrialized countries based on its graduation rate.
- Opportunities are bleak for King County youth that drop out of high school. In 1998, high school dropouts earned only 38% of what those with Bachelor's degrees or more earned. (See Indicator 7).

**What We Are Doing**

- Supporting rigorous academic programs which provide career exploration opportunities for youth, such as: 1) the John Stanford Public Service Academy; 2) High Technology Learning Centers; 3) Opportunity Skyway; 4) Worktraining; 5) Summer Youth Employment; and 6) TransEd Program, which introduces and prepares teachers for careers in transportation.
- Through New Start, providing an adjudicated Youth Stay in School Program.
- Developing a variety of programs for Out of School Youth, including the Career Development Learning Center; Career Education Opportunity Centers; and Youth Build.

**Data Source:** Office of the Superintendent of Public Instruction, Olympia. *Statistical Abstract of the United States, 1995, 1997, 2000.* Education Liaison for the King County Executive Department.

**Policy Rationale:** The rationale stems from Countywide Planning Policies FW-34, ED-1 and ED-13.